

BANCROFT FUND LTD.



2008 Semi-Annual Report
April 30, 2008

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Bancroft Fund Ltd. operates as a closed-end, diversified management investment company and invests primarily in convertible securities, with the objectives of providing income and the potential for capital appreciation ~ which objectives the Fund considers to be relatively equal, over the long-term, due to the nature of the securities in which it invests.

Highlights

Performance through April 30, 2008 with dividends reinvested

	Calendar <u>YTD</u>	1 Year	Annualized		10 Year <u>Volatility</u>
			<u>5 Years</u>	<u>10 Years</u>	
Bancroft market price	(3.72)%	2.40%	6.03%	4.91%	9.60%
Bancroft net asset value	(2.40)	1.00	7.08	4.82	7.60
Merrill Lynch All Convertibles Index	(0.71)	(1.08)	8.76	6.07	12.34
S&P 500 Index	(5.03)	(4.68)	10.60	3.89	14.55
Lehman Aggregate Bond Total Return Index . .	1.95	6.87	4.37	5.96	3.88

The above data is from Bloomberg L.P. pricing service, with the exception of the Lehman Aggregate Bond Total Return Index which is from Lipper, Inc. *Closed-End Fund Performance Analysis*, dated April 30, 2008.

Bancroft's performance in the table above has not been adjusted for the fiscal 2004 rights offering, or the tender offer which expired earlier this year; net asset value dilution was 2.38% and 0.85%, respectively. Volatility is a measure of risk based on the standard deviation of the return. The greater the volatility, the greater the chance of a profit or risk of a loss. Performance data represent past results and do not reflect future performance.

Quarterly History of NAV and Market Price

<u>Qtr. Ended</u>	Net Asset Values			Market Prices (AMEX, symbol BCV)		
	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>High</u>	<u>Low</u>	<u>Close</u>
7/31/07	\$24.19	\$23.24	\$23.25	\$21.80	\$20.65	\$20.95
10/31/07	24.35	22.47	24.35	21.80	18.88	21.35
1/31/08	24.17	19.95	20.53	21.52	18.12	18.85
4/30/08	20.72	19.41	20.69	18.98	17.64	18.48

Dividend Distributions (12 Months)

<u>Record Date</u>	<u>Payment Date</u>	<u>Income</u>	<u>Capital Gains</u>	<u>Total</u>
6/14/07	6/28/07	\$0.210	\$ —	\$0.210
9/13/07	9/27/07	0.210	—	0.210
11/29/07	12/26/07	0.166	2.009	2.175
3/14/08	3/28/08	0.210	—	0.210
		<u>\$0.796</u>	<u>\$2.009</u>	<u>\$2.805</u>

To Our Shareholders

May 9, 2008

The current calendar year has seen the convertible securities market, as measured by the Merrill Lynch All Convertibles Index, outperform the major equity market indices as well as U.S. corporate bonds, while underperforming high yield U.S. corporate bonds. Within the convertible universe, Merrill Lynch reports that speculative grade convertibles have outperformed investment grade convertibles, which may be because small and midcap stocks have outperformed large capitalization stocks.

As some alternative forms of financing have been substantially reduced by the de-leveraging of investment banks, many issuers are turning to convertible securities as the most viable source for raising capital. This development has become especially true of finance companies and banks. The first five months of 2008 has seen a net increase in U.S. convertible securities outstanding of over \$20 billion, raising convertible market value to \$333.5 billion from \$313.1 billion, as measured by Merrill Lynch. Average yields rose as many new issues came to market with over 7% yields. Average conversion premiums have actually fallen slightly to approximately 42% and parity delta (a measure of the sensitivity of the price of a convertible security to movements in the price of the underlying common stock) is around 65%, which is historically within the normal range of the market. These numbers, measured by Merrill Lynch, appear to us to be indicative of a healthy convertible market. In this changing financial environment, we believe that reasonable investment opportunities are available in convertible issue form from many different companies and industries.

Performance in the Fund's second fiscal quarter was enhanced by its exposure to the Minerals and Mining and Energy industries. Among the better performing issues in the portfolio were McMoRan Exploration Co. (Energy), Oil States International, Inc. (Energy) and Freeport-McMoRan Copper & Gold Inc. (Minerals and Mining). Performance was held back by exposure to the Computer Software and Telecommunications industries.

Bancroft's market return, with dividends reinvested, outperformed the Merrill Lynch All Convertibles Index (the "Index") over the one-year period ended April 30, 2008, while underperforming over the five- and ten-year periods. The Fund's NAV, also with dividends reinvested, after adjustment for fund expenses (the Index includes no expenses), and for the Fund's fiscal 2004 rights offer and the February 2008 tender offer, outperformed the Index over the one- and five-year periods. Although the Fund's performance over the ten-year period was comparable to that of the Index, over that time period the Fund's volatility, as measured by the standard deviation of both market performance and NAV performance, was substantially lower than that of the Index for that time period. Many market professionals consider the volatility of past returns to be a useful approximation of past levels of financial risk. A higher volatility level is considered to equate to a higher measure of risk, and thus the Fund's results were achieved with lower levels of risk than that implied by the Index. This measure of historic results may not reflect future performance but we believe that it is informative. The Fund has sought to provide total returns to shareholders that compare favorably to those of the equity markets with less volatility.

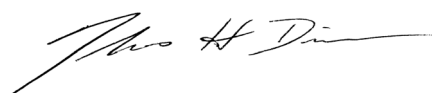
There are many closed-end funds that make use of leverage through the issuance of Auction Rate Preferred Shares (ARPS). These shares are designed to have their dividend rate set through a periodic auction, usually every 7 to 35 days. When a successful auction occurs, holders who wish to liquidate their holdings may do so. If the auction does not attract sufficient bids to clear

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To Our Shareholders (continued)

the market, the remarketing agent (usually a bank) generally steps in to fill the gap. This system functioned for twenty years with only an occasional auction failure. During the first calendar quarter of 2008 many agents refused to step in and so many auctions failed. Although such auction failures did not mean that the ARPS were in danger of default, holders who wished to liquidate their positions could not do so. The issuers have had to pay a penalty rate until the auctions were successful or the ARPS were redeemed. At this time, 25% of existing ARPS issued by closed-end funds have been called, with more expected to follow. Bancroft has never issued any preferred shares and so has not been subjected to the uncertainties created in the market by these recent events.

The results of the 2008 annual meeting of shareholders are shown in the Miscellaneous Notes section of this report. We thank you for your support. During the past quarter the Fund conducted a successful tender offer which concluded on February 29th with the purchase of 14.5% of the outstanding shares of the Fund. At its May meeting, the Board of Trustees declared a dividend of \$0.21 per share. The dividend consists of undistributed net investment income and will be payable on June 26, 2008 to shareholders of record on June 12, 2008.



Thomas H. Dinsmore
Chairman of the Board

Major Portfolio Changes by underlying common stock Six months ended April 30, 2008

ADDITIONS

ADC Telecommunications, Inc.
Avery Dennison Corp.
Corning, Inc.
The Great Atlantic & Pacific Tea Company, Inc.
Kinetic Concepts, Inc.
McMoRan Exploration Co.
Mylan Inc.
Nabors Industries Ltd.
St. Jude Medical, Inc.
The Walt Disney Company
Washington Mutual, Inc.

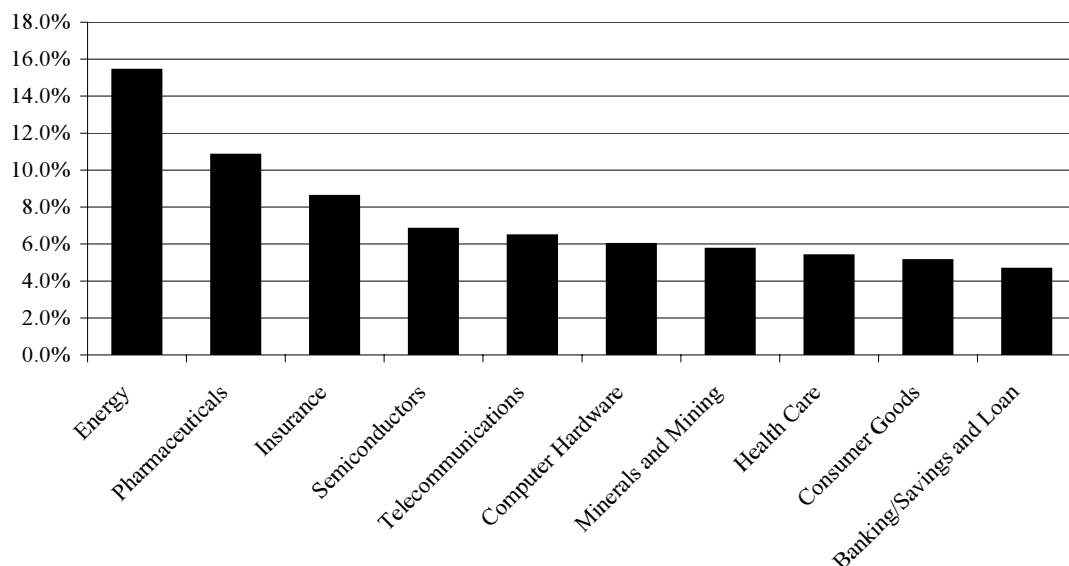
REDUCTIONS

AAR Corp.
Archer Daniels Midland Company
Cameron International Corp.
Corning, Inc.
Gannett Co., Inc.
Nabors Industries Ltd.
Newmont Mining Corp.
Sepracor Inc.
St. Jude Medical, Inc.
U.S. Bancorp
The Walt Disney Company
Washington Mutual, Inc.

Largest Investment Holdings by underlying common stock

	Value (Note 1)	% Total Net Assets
Prudential Financial, Inc. Prudential provides financial services worldwide. The company offers a variety of products and services including life insurance, mutual funds, annuities, asset management and real estate brokerage.	\$ 3,875,900	3.6 %
Chesapeake Energy Corp. Chesapeake produces oil and natural gas. The company's operations are focused on developmental drilling and producing property acquisitions in onshore natural gas producing areas of the United States and Canada.	3,579,250	3.3
Freeport-McMoRan Copper & Gold, Inc. Freeport-McMoRan is involved in mineral exploration and development, mining, and milling of copper, gold and silver. The company is also involved in smelting and refining copper concentrates.	3,258,800	3.0
Companhia Vale do Rio Doce Companhia Vale do Rio Doce produces and sells iron ore, pellets, manganese, alloys, gold, bauxite and alumina. The company is based in Brazil, where it owns and operates railroads and maritime terminals.	2,915,625	2.7
New York Community Bancorp, Inc. New York Community Bancorp is a multi-bank holding company that offers a full range of traditional and non-traditional products and services.	2,884,976	2.7
LSB Industries, Inc. LSB manufactures and sells chemical products for the mining, agricultural and industrial markets. The company also manufactures and sells commercial and residential climate control products.	2,745,000	2.6
The Walt Disney Company Disney, an entertainment company, has operations that include media networks, studio entertainment, theme parks and resorts, consumer products, and Internet and direct marketing.	2,631,338	2.4
St. Jude Medical, Inc. St. Jude Medical develops, manufactures and distributes medical devices for the worldwide cardiovascular market. The company serves patients and health care customers with products and services including heart valves, cardiac rhythm management systems and cardiovascular devices.	2,557,331	2.4
LSI Corp. LSI designs, develops, manufactures and markets integrated circuits and storage systems. The company offers products and services for a variety of electronic systems applications that are marketed to original equipment manufacturers in the telecommunications, computers and storage industries.	2,537,500	2.4
Total	<u>\$ 26,985,720</u>	<u>25.1%</u>

Major Industry Exposure



Diversification of Assets

	Value (Note 1)	% Total Net Assets	
		Six Months Ended April 30, 2008	Year Ended October 31, 2007
Aerospace and Defense	\$ 3,338,750	3.1%	3.8 %
Agriculture	—	—	1.4
Banking/Savings and Loan	5,001,671	4.7	6.1
Chemicals	1,720,500	1.6	2.8
Computer Hardware	6,451,550	6.0	5.3
Computer Software	3,285,200	3.1	3.0
Consumer Goods	5,504,638	5.1	3.7
Energy	16,571,552	15.4	14.3
Financial Services	1,630,000	1.5	2.3
Foods	3,227,000	3.0	1.7
Health Care	5,790,206	5.4	4.2
Insurance	9,475,650	8.6	7.6
Media and Entertainment	3,636,338	3.4	3.6
Minerals and Mining	6,174,425	5.8	5.8
Multi-Industry	3,159,375	3.0	2.9
Pharmaceuticals	11,632,495	10.8	10.2
Real Estate	996,250	0.9	0.8
Retail	1,200,000	1.1	1.9
Semiconductors	7,322,500	6.8	6.5
Telecommunications	6,949,400	6.5	4.6
Transportation	1,610,000	1.5	1.4
Travel and Leisure	780,000	0.7	0.8
Short-Term Securities	—	—	3.7
Total Investments	105,457,500	98.2	98.4
Other Assets, Net of Liabilities	1,932,952	1.8	1.6
Total Net Assets	\$ 107,390,452	100.0%	100.0%

Portfolio of Investments April 30, 2008 (unaudited)

Principal Amount		Value (Note 1)
CONVERTIBLE BONDS AND NOTES — 58.0%		
Aerospace and Defense — 2.8%		
\$ 1,000,000	Alliant Techsystems Inc. 2.75%, due 2011 cv. sr. sub. notes (B1)	\$ 1,292,500
1,500,000	DRS Technologies, Inc. 2%, due 2026 cv. sr. notes (B1) (Acquired 01/30/06 - 05/16/07; Cost \$1,658,682) (1,2)	1,766,250
		<u>3,058,750</u>
Computer Hardware — 6.0%		
1,000,000	C&D Technologies, Inc. 5.25%, due 2025 cv. sr. notes (NR)	980,000
2,000,000	Credit Suisse, New York Branch 12.90%, due 2008 equity-linked notes (NR) (exchangeable for Corning Inc. common stock)	2,122,800
1,000,000	EMC Corp. 1.75%, due 2011 cv. sr. notes (BBB+)	1,193,750
1,000,000	EMC Corp. 1.75%, due 2013 cv. sr. notes (BBB+)	1,202,500
1,000,000	Richardson Electronics, Ltd. 8%, due 2011 cv. sr. sub. notes (NR)	952,500
		<u>6,451,550</u>
Computer Software — 3.1%		
1,000,000	Blackboard Inc. 3.25%, due 2027 cv. sr. notes (B-)	956,250
1,000,000	GSI Commerce, Inc. 2.5%, due 2027 cv. sr. notes (NR)	785,000
1,500,000	Lehman Brothers Holdings Inc. 1%, due 2009 medium-term notes (A1) (performance linked to Microsoft Corp. common stock) (1)	1,543,950
		<u>3,285,200</u>
Consumer Goods — 2.3%		
1,000,000	Chattem, Inc. 1.625%, due 2014 cv. sr. notes (NR)	1,125,000
750,000	Church & Dwight Co., Inc. 5.25%, due 2033 cv. sr. deb. (Ba1)	1,385,625
		<u>2,510,625</u>
Energy — 4.6%		
750,000	Canadian Solar Inc. 6%, due 2017 cv. sr. notes (NR) (Acquired 12/04/07; Cost \$750,000) (2)	1,035,000
1,500,000	Covanta Holding Corp. 1%, due 2027 sr. cv. deb. (B1) (1)	1,620,000
1,325,000	Oil States International, Inc. 2.375%, due 2025 contingent cv. sr. notes (NR) ..	2,272,375
		<u>4,927,375</u>
Financial Services — 1.5%		
2,000,000	Euronet Worldwide, Inc. 3.50%, due 2025 cv. deb. (B+) (1)	1,630,000
Foods — 1.9%		
500,000	The Great Atlantic & Pacific Tea Company, Inc. 5.125%, due 2011 cv. sr. notes (Caa1)	504,375
1,500,000	The Great Atlantic & Pacific Tea Company, Inc. 6.75%, due 2012 cv. sr. notes (Caa1)	1,498,125
		<u>2,002,500</u>
Health Care — 3.9%		
1,500,000	Kinetic Concepts, Inc. 3.25%, due 2015 cv. sr. notes (Acquired 04/16/08; Cost \$1,500,000) (2)	1,515,000
900,000	Omnicare, Inc. 3.25%, due 2035 cv. sr. deb. (B2) (1)	626,625
1,000,000	SonoSite Inc. 3.75%, due 2014 cv. sr. notes (NR)	1,091,250
1,000,000	St. Jude Medical, Inc. 1.22%, due 2008 cv. sr. deb. (BBB+)	1,005,000
		<u>4,237,875</u>

Portfolio of Investments April 30, 2008 (continued)

Principal Amount		Value (Note 1)
CONVERTIBLE BONDS AND NOTES — continued		
Insurance — 3.6%		
\$ 3,000,000	Prudential Financial, Inc. floating rate, due 2036 cv. sr. notes (A3)	\$ 2,925,900
1,000,000	Prudential Financial, Inc. floating rate, due 2037 cv. sr. notes (A3) (Acquired 12/07/07; Cost \$988,750) (2)	950,000
		<u>3,875,900</u>
Media and Entertainment — 0.9%		
1,000,000	Virgin Media Inc. 6.5%, due 2016 cv. sr. notes (NR)	<u>1,005,000</u>
Multi-Industry — 3.0%		
750,000	Diversa Corp. 5.5%, due 2027 cv. sr. notes (NR) (exchangeable for Verenum Corp. common stock)	414,375
3,000,000	LSB Industries, Inc. 5.5%, due 2012 cv. sr. sub. deb. (NR) (Acquired 06/28/07; Cost \$3,000,000) (2)	2,745,000
		<u>3,159,375</u>
Pharmaceuticals — 8.4%		
2,000,000	Alza Corp. 0%, due 2020 cv. sub. deb. (Aa1) (exchangeable for Johnson & Johnson common stock)	1,875,000
2,000,000	Bristol-Myers Squibb Co. floating rate, due 2023 cv. sr. deb. (A2)	1,992,500
1,000,000	Mylan Inc. 1.25%, due 2012 sr. cv. notes (B-)	865,000
1,500,000	Teva Pharmaceutical Finance Co. B.V. 1.75%, due 2026 cv. sr. deb. (Baa2) (exchangeable for Teva Pharmaceutical Industries Ltd. ADR)	1,713,750
2,500,000	Wyeth floating rate, due 2024 cv. sr. deb. (A3)	2,545,450
		<u>8,991,700</u>
Real Estate — 0.9%		
1,000,000	ProLogis 2.25%, due 2037 cv. sr. notes (BBB+) (Acquired 03/20/07 - 04/16/07; Cost \$982,038) (2)	<u>996,250</u>
Semiconductors — 6.8%		
2,500,000	Agere Systems Inc. 6.5%, due 2009 cv. sub. notes (BB) (exchangeable for LSI Corp.)	2,537,500
1,000,000	Cypress Semiconductor Corp. 1%, due 2009 cv. sr. notes (NR)	1,293,750
1,500,000	Fairchild Semiconductor Corp. 5%, due 2008 cv. sr. sub. notes (B) (exchangeable into Fairchild Semiconductor International, Inc. common stock) .	1,496,250
2,000,000	Intel Corp. 2.95%, due 2035 jr. sub. cv. deb. (A-) (1)	1,995,000
		<u>7,322,500</u>
Telecommunications — 6.0%		
500,000	ADC Telecommunications, Inc. 3.50%, due 2015 cv. sub. notes (NR)	494,375
1,000,000	ADC Telecommunications, Inc. 3.50%, due 2017 cv. sub. notes (NR)	986,250
1,000,000	Anixter International Inc. 1%, due 2013 sr. cv. notes (BB-)	1,087,500
2,000,000	Equinix, Inc. 2.5%, due 2012 cv. sub. notes (CCC+)	2,110,000
1,000,000	General Cable Corp. 1%, due 2012 sr. cv. notes (B1)	1,046,250
1,000,000	SAVVIS, Inc. 3%, due 2012 cv. sr. notes (NR)	752,500
		<u>6,476,875</u>
Transportation — 1.5%		
1,750,000	ExpressJet Holdings, Inc. 4.25%, due 2023 cv. notes (NR)	<u>1,610,000</u>

Portfolio of Investments April 30, 2008 (continued)

Principal Amount		Value (Note 1)
CONVERTIBLE BONDS AND NOTES — continued		
Travel and Leisure — 0.7%		
\$1,000,000	Morgans Hotel Group 2.375%, due 2014 sr. sub. cv notes (NR) (Acquired 10/11/07 - 10/12/07; Cost \$1,026,250) (2)	\$ 780,000
	TOTAL CONVERTIBLE BONDS AND NOTES	62,321,475
CORPORATE BONDS AND NOTES — 1.1%		
Retail — 1.1%		
1,500,000	Amerivon Holdings LLC 4%, due 2010 units (NR) (Acquired 06/01/07; Cost \$1,500,000) (2,3)	1,200,000
CONVERTIBLE PREFERRED STOCKS — 10.3%		
Aerospace and Defense — 0.3%		
40,000	Applied Energetics, Inc. 6.5% series A redeemable cv. pfd. (NR) (Acquired 10/27/05; Cost \$1,000,000) (2)	280,000
Banking/Savings and Loan — 4.7%		
59,179	New York Community Bancorp, Inc. 6% BONUSSES units (Baa1)	2,884,976
18,000	Sovereign Capital Trust IV 4.375% PIERS (Baa1) (exchangeable for Sovereign Bancorp, Inc. common stock) (1)	513,000
500	Wachovia Corp. 7.5% series L perpetual cv. pfd (NR)	571,563
1,200	Washington Mutual, Inc. 7.75% series R non-cumulative perpetual cv. pfd. (Ba2)	1,032,132
		5,001,671
Chemicals — 1.6%		
30,000	Celanese Corp. 4.25% cv. perpetual pfd. (NR)	1,720,500
Energy — 3.3%		
27,800	Chesapeake Energy Corp. 4.5% cum. cv. pfd. (NR)	3,579,250
Telecommunications — 0.4%		
100	Medis Technologies Ltd. 7.25% series A cum. cv. perpetual pfd. (NR)	472,525
	TOTAL CONVERTIBLE PREFERRED STOCKS	11,053,946
MANDATORY CONVERTIBLE SECURITIES — 28.8% (4)		
Consumer Goods — 2.8%		
30,000	Avery Dennison Corp. 7.875%, due 11/15/10 mandatory cv. pfd. (BBB-)	1,466,700
1,750	The Stanley Works floating rate, due 05/17/12 equity units (A2)	1,527,313
		2,994,013

Portfolio of Investments April 30, 2008 (continued)

Shares		Value (Note 1)
MANDATORY CONVERTIBLE SECURITIES — continued		
Energy — 7.5%		
30,000	Bristow Group Inc. 5.5%, due 09/15/09 mandatory cv. pfd. (B)	\$ 1,972,800
10,000	McMoRan Exploration Co. 6.75%, due 11/15/10 mandatory cv. pfd. (NR)	1,832,900
2,000	Merrill Lynch & Co., Inc. 5.4%, due 09/27/10 PRIDES (A+) (linked to the performance of ConocoPhillips common stock)	1,849,780
41,135	Merrill Lynch & Co., Inc. 12%, due 06/27/08 capped appreciation notes (NR) (linked to the performance of Tesoro Corp. common stock)	1,053,467
39,410	NATIXIS Financial Products Inc. 7.05%, due 12/05/08 mandatory trigger exchangeable notes (NR) (exchangeable for Nabors Industries Ltd. common stock) (Acquired 02/29/08; Cost \$1,250,085) (2)	1,355,980
		<u>8,064,927</u>
Foods — 1.1%		
50,000	Lehman Brothers Holdings Inc. 6%, due 10/12/10 PIES (A1) \$ (exchangeable for General Mills, Inc. common stock)	<u>1,224,500</u>
Health Care — 1.4%		
35,768	NATIXIS Financial Products Inc. 11%, due 01/21/09 mandatory trigger exchangeable notes (NR) (exchangeable for St. Jude Medical, Inc. common stock) (Acquired 04/16/08; Cost \$1,559,485) (2)	<u>1,552,331</u>
Insurance — 5.2%		
4,000	Alleghany Corp. 5.75%, due 06/15/09 mandatory cv. pfd. (BB+)	1,290,925
75,000	Citigroup Funding Inc. variable rate, due 09/27/08 exchangeable notes (Aa3) (exchangeable for Genworth Financial, Inc. common stock)	1,797,750
60,000	MetLife, Inc. 6.375%, due 08/15/08 common equity units (BBB+)	1,772,400
52,500	XL Capital Ltd. 7%, due 02/15/09 equity security units (Baa1)	<u>738,675</u>
		<u>5,599,750</u>
Media and Entertainment — 2.5%		
82,500	Deutsche Bank AG 4.9%, due 04/28/09 mandatory exchangeable notes (Aa1) (exchangeable for The Walt Disney Company common stock)	<u>2,631,338</u>
Minerals and Mining — 5.8%		
20,000	Freeport-McMoRan Copper & Gold Inc. 6.75%, due 05/01/10 mandatory cv. pfd. (B+)	3,258,800
30,000	Vale Capital Ltd. 5.5%, due 06/15/10 mandatory convertible notes (NR) (exchangeable for ADSs representing Companhia Vale do Rio Doce common stock)	2,197,500
10,000	Vale Capital Ltd. 5.5%, due 06/15/10 mandatory convertible notes (NR) (exchangeable for ADSs representing Companhia Vale do Rio Doce Preference A Shares)	718,125
		<u>6,174,425</u>

Portfolio of Investments April 30, 2008 (continued)

Shares		Value (Note 1)
MANDATORY CONVERTIBLE SECURITIES — continued		
Pharmaceuticals — 2.5%		
1,000	Mylan Inc. 6.5%, due 11/15/10 mandatory cv. pfd. (B-)	\$ 925,760
9,500	Schering-Plough Corp. 6%, due 08/13/10 mandatory cv. pfd. (Baa3)	1,715,035
		<u>2,640,795</u>
	TOTAL MANDATORY CONVERTIBLE SECURITIES (4)	<u>30,882,079</u>
	Total Convertible Bonds and Notes — 58.0%	62,321,475
	Total Corporate Bonds and Notes — 1.1%	1,200,000
	Total Convertible Preferred Stocks — 10.3%	11,053,946
	Total Mandatory Convertible Securities — 28.8%	<u>30,882,079</u>
	Total Investments — 98.2%	105,457,500
	Other assets and liabilities, net — 1.8%	<u>1,932,952</u>
	Total Net Assets — 100.0%	<u>\$107,390,452</u>

- (1) Contingent payment debt instrument. See Note 1(f).
- (2) Security not registered under the Securities Act of 1933, as amended (i.e., the security was purchased in a Rule 144A or a Regulation D transaction). The security may be resold only pursuant to an exemption from registration under the Securities Act of 1933, typically to qualified institutional buyers. The Fund generally has no rights to demand registration of these securities. The aggregate market value of these unregistered securities at April 30, 2008 was \$14,175,811 which represented 13.2% of the Fund's net assets.
- (3) Investment is a restricted security, valued at fair value as determined in good faith in accordance with procedures adopted by the Board of Trustees. It is possible that the estimated value may differ significantly from the amount that might ultimately be realized in the near term, and the difference could be material. The fair value of this security represented 1.1% of the Fund's net assets.
- (4) These securities are required to be converted on the dates listed; they generally may be converted prior to these dates at the option of the holder.

Investment Abbreviations

ADR	American Depositary Receipts.
ADS	American Depositary Shares.
BONUSES	Bifurcated Option Note Unit Securities.
PIES	Premium Income Exchangeable Securities.
PIERS	Preferred Income Equity Redeemable Securities.
PRIDES	Preferred Redeemable Increased Dividend Equity Securities.

Ratings in parentheses by Moody's Investors Service, Inc. or Standard & Poor's.
NR is used whenever a rating is unavailable.

Summary of Portfolio Ratings*

	% of Portfolio
Aa	8
A	16
Baa	15
Ba	3
B	22
Caa	4
NR	31

*Excludes equity securities and cash.

See accompanying notes to financial statements

Statement of Assets and Liabilities *(unaudited)*

April 30, 2008

Assets:	
Investments at value (cost \$105,611,013) (Note 1)	\$ 105,457,500
Cash	894,888
Receivable for securities sold	226,377
Dividends and interest receivable	858,573
Other assets	40,442
Total assets	<u>107,477,780</u>
Liabilities:	
Accrued management fee (Note 2)	74,517
Accrued expenses	12,811
Total liabilities	<u>87,328</u>
Net Assets	<u>\$ 107,390,452</u>
Net Assets consist of:	
Capital shares (Note 3)	\$ 51,899
Additional paid-in capital	108,554,901
Undistributed net investment income	465,561
Accumulated net realized loss from investment transactions	(1,528,395)
Unrealized depreciation on investments	(153,514)
Net Assets	<u>\$ 107,390,452</u>
Net asset value per share (\$107,390,452 ÷ 5,189,875 outstanding shares)	<u>\$ 20.69</u>

Statement of Operations

For the Six Months Ended April 30, 2008

Investment Income (Note 1):	
Interest	\$ 1,758,991
Dividends	1,298,664
Total Income	<u>3,057,655</u>
Expenses (Note 2):	
Management fee	420,339
Custodian	7,336
Transfer agent	21,996
Audit fees	17,925
Legal fees	123,598
Trustees' fees	62,750
Reports to shareholders	52,051
Administrative services fees	29,611
Other	51,117
Total Expenses	<u>786,723</u>
Net Investment Income	<u>2,270,932</u>
Realized and Unrealized Gain on Investments:	
Net realized loss from investment transactions	(2,121,172)
Net change in unrealized appreciation of investments	(7,983,843)
Net loss on investments	<u>(10,105,015)</u>
Net Decrease in Net Assets Resulting from Operations	<u>\$ (7,834,083)</u>

See accompanying notes to financial statements

Statement of Changes in Net Assets

	<u>Six Months Ended</u> <u>April 30, 2008(a)</u>	<u>Year Ended</u> <u>October 31, 2007</u>
Change in net assets from operations:		
Net investment income	\$ 2,270,932	\$ 4,596,017
Net realized gain (loss) from investment transactions	(2,121,172)	11,500,969
Net change in unrealized appreciation of investments	<u>(7,983,843)</u>	<u>2,263,067</u>
Net change in net assets resulting from operations	<u>(7,834,083)</u>	<u>18,360,053</u>
Distributions to shareholders from:		
Net investment income	(2,041,556)	(5,102,460)
Net realized gain on investments	<u>(11,517,629)</u>	<u>(2,621,312)</u>
Total distributions	<u>(13,559,185)</u>	<u>(7,723,772)</u>
Capital share transactions (Note 3)		
Reinvestment of distributions	6,352,696	2,097,228
Cost of shares tendered	<u>(17,149,192)</u>	<u>—</u>
Net increase (decrease) from capital transactions	<u>(10,796,496)</u>	<u>2,097,228</u>
Change in net assets	<u>(32,189,764)</u>	<u>12,733,509</u>
Net assets at beginning of period	<u>139,580,216</u>	<u>126,846,707</u>
Net assets at end of period	<u>\$107,390,452</u>	<u>\$139,580,216</u>
Undistributed net investment income at end of period	<u>\$ 465,561</u>	<u>\$ 236,184</u>

(a) Unaudited.

Notes to Financial Statements (unaudited)

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Organization — Bancroft Fund Ltd. (the “Fund”), is registered under the Investment Company Act of 1940 as a diversified, closed-end management investment company.

(b) Use of Estimates — The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(c) Indemnification — Under the Fund’s organizational documents, each trustee, officer or other agent of the Fund (including the Fund’s investment adviser) is indemnified against certain liabilities that may arise out of performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts that contain a variety of indemnification clauses. The Fund’s maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. The risk of material loss as a result of such indemnification is considered remote.

(d) Federal Income Taxes — The Fund’s policy is to distribute substantially all of its taxable income within the prescribed time and to otherwise comply with the provisions of the Internal Revenue Code applicable to regulated investment companies. Therefore, no provision for federal income or excise taxes is believed necessary.

On July 13, 2006, the Financial Accounting Standards Board (FASB) released FASB Interpretation No. 48 “Accounting for Uncertainty in Income Taxes” (FIN 48). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Fund’s tax return to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. The interpretation became effective for tax years beginning after December 15, 2006. The adoption of FIN 48 has had no impact on the Fund’s financial statements.

Notes to Financial Statements (continued)

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Security Valuation — Investments in securities traded on a national securities exchange are valued at market using the last reported sales price, supplied by an independent pricing service, as of the close of regular trading. Listed securities, for which no sales were reported, are valued at the mean between closing reported bid and asked prices as of the close of regular trading. Unlisted securities traded in the over-the-counter market are valued using an evaluated quote provided by the independent pricing service, or, if an evaluated quote is unavailable, such securities are valued using prices received from dealers, provided that if the dealer supplies both bid and asked prices, the price to be used is the mean of the bid and asked prices. The independent pricing service derives an evaluated quote by obtaining dealer quotes, analyzing the listed markets, reviewing trade execution data and employing sensitivity analysis. Evaluated quotes may also reflect appropriate factors such as individual characteristics of the issue, communications with broker-dealers, and other market data. Securities for which quotations are not readily available, restricted securities and other assets are valued at fair value as determined in good faith pursuant to procedures approved by the Board of Trustees. Short-term debt securities with original maturities of 60 days or less are valued at amortized cost.

(f) Security Transactions and Related Investment Income — Security transactions are accounted for on the trade date (date the order to buy or sell is executed) with gain or loss on the sale of securities being determined based upon identified cost. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis, including accretion of discounts and amortization of non-equity premium. For certain securities, known as “contingent payment debt instruments,” Federal tax regulations require the Fund to record non-cash, “contingent” interest income in addition to interest income actually received. Contingent interest income amounted to 6 cents per share for the six months ended April 30, 2008. In addition, Federal tax regulations require the Fund to reclassify realized gains on contingent payment debt instruments to interest income. At April 30, 2008 there were unrealized losses of approximately 14 cents per share on contingent payment debt instruments.

(g) Change in Method of Accounting — Effective November 1, 2004, the Fund began amortizing discounts and premiums on all debt securities. Prior to November 1, 2004, the Fund amortized discounts on original issue discount debt securities. The new method of amortization was adopted in accordance with the provisions of the AICPA Audit and Accounting Guide, Audits of Investment Companies and the financial highlights presented herein have been restated to reflect the new method retroactive to November 1, 2001. The effect of this accounting change is included in the financial highlights for the years ended October 31, 2003 and 2004. The cumulative effect of this accounting change had no impact on the total net assets of the Fund or on distributions for tax purposes, but resulted in a \$103,986 increase in the cost of securities held and a corresponding \$103,986 reduction in the net unrealized gains based on the securities held on November 1, 2001. These changes had no effect on previously reported total net assets or total returns.

(h) Distributions to Shareholders — Distributions to shareholders from net investment income are recorded by the Fund on the ex-dividend date. Distributions from capital gains, if any, are recorded on the ex-dividend date and paid annually. The amount and character of income and capital gains to be distributed are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles. The tax character of distributions paid during the fiscal years ended October 31, 2007 and 2006 were as follows:

	2007	2006
Ordinary Income	\$5,102,460	\$4,395,566
Net Realized Gain on Investments	2,621,312	—
	<u>\$7,723,772</u>	<u>\$4,395,566</u>

Notes to Financial Statements (continued)

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

At April 30, 2008 unrealized appreciation (depreciation) of investment securities on a tax basis were as follows:

Unrealized appreciation	\$ 8,861,127
Unrealized depreciation	<u>(9,148,005)</u>
Net unrealized depreciation	(286,878)
Cost for federal income tax purposes	\$ 105,744,373

(i) Accounting Pronouncements — In September 2006, the Financial Accounting Standards Board (FASB) issued Statement on Financial Accounting Standards (SFAS) No. 157, “Fair Value Measurements.” This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value, and requires additional disclosures about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitted by existing standards. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The changes to current generally accepted accounting principles from the application of this Statement relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. As of April 30, 2008, the Fund does not believe the adoption of SFAS No. 157 will impact the financial statement amounts, however, additional disclosures may be required about the inputs used to develop the measurements and the effect of certain of the measurements on changes in net assets for the period.

NOTE 2 - MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

The Fund has entered into an investment advisory agreement with Davis-Dinsmore Management Company (“Davis-Dinsmore”). Pursuant to the investment advisory agreement, Davis-Dinsmore provides the Fund with investment advice, office space and facilities. Under the terms of the investment advisory agreement, the Fund pays Davis-Dinsmore on the last day of each month an advisory fee for such month computed at an annual rate of 0.75% of the first \$100,000,000 and 0.50% of the excess over \$100,000,000 of the Fund’s net asset value in such month.

The Fund, pursuant to an administrative services agreement with Davis-Dinsmore, has agreed to pay Davis-Dinsmore for certain accounting and other administrative services provided to the Fund. Under the administrative services agreement, the Fund pays Davis-Dinsmore on the last day of each month a fee for such month computed at an annual rate of 0.05% of the Fund’s net asset value in such month.

Certain officers and trustees of the Fund are officers and directors of Davis-Dinsmore.

NOTE 3 - PORTFOLIO ACTIVITY

At April 30, 2008 there were 5,189,875 shares of beneficial interest outstanding, with a par value of \$0.01 per share. During the six months ended April 30, 2008, 337,013 were issued in connection with reinvestment of dividends from net investment income, resulting in an increase in paid-in capital of \$6,352,696.

In connection with the Fund’s tender offer which expired on February 29, 2008, the Fund purchased 880,154 shares of beneficial interest at a total cost of \$17,149,192, including expenses of \$109,410.

Purchases and sales of investments, exclusive of corporate short-term notes, aggregated \$26,977,517 and \$44,085,689, respectively, for the six months ended April 30, 2008.

A distribution of \$0.21 per share, derived from net investment income, was declared on May 13, 2008, payable June 26, 2008 to shareholders of record at the close of business June 12, 2008.

Financial Highlights Selected data for a share of beneficial interest outstanding:

	Six Months					
	Ended April 30, 2008 (a)	2007	2006	2005	Year Ended October 31,	
					2004	2003
Operating Performance:						
Net asset value, beginning of period . . .	\$24.35	\$22.55	\$21.05	\$20.40	\$20.84	\$18.55
Net investment income	0.44	0.80	0.80	0.64	0.70(b)	0.71(b)
Adjustment for change in amortization policy	—	—	—	—	(0.02)	(0.02)
Net investment income, as adjusted	0.44	0.80	0.80	0.64	0.68	0.69
Net realized and unrealized gain (loss) .	(1.88)	2.37	1.48	0.71	0.08(b)	2.31(b)
Adjustment for change in amortization policy	—	—	—	—	0.02	0.02
Net realized and unrealized gain (loss), as adjusted	(1.88)	2.37	1.48	0.71	0.10	2.33
Total from investment operations	(1.44)	3.17	2.28	1.35	0.78	3.02
Less Distributions:						
Dividends from net investment income .	(0.38)	(0.90)	(0.78)	(0.70)	(0.72)	(0.73)
Distributions from realized gains	(2.01)	(0.47)	—	—	—	—
Total distributions	(2.39)	(1.37)	(0.78)	(0.70)	(0.72)	(0.73)
Capital Share Transactions:						
Anti-dilutive effect of tender offer	0.17	—	—	—	—	—
Effect of rights offer	—	—	—	—	(0.50)	—
Total capital share transactions	0.17	—	—	—	(0.50)	—
Net asset value, end of period	\$20.69	\$24.35	\$22.55	\$21.05	\$20.40	\$20.84
Market value, end of period	\$18.48	\$21.35	\$19.30	\$17.77	\$18.23	\$19.70
Total Net Asset Value Return (%) (c) . .	(4.0)	14.5	11.1	6.7	1.3	16.7
Total Investment Return %(d)	(3.4)	18.3	13.3	1.3	(3.8)	16.7
Ratios/Supplemental Data:						
Net assets, end of period (in thousands)	\$107,390	\$139,580	\$126,847	\$117,622	\$113,373	\$98,486
Ratio of expenses to average net assets (%)	1.3 (e)	1.1	1.1	1.2	1.1	1.2
Ratio of net investment income to average net assets (%).	3.6 (e)	3.5	3.7	3.1	3.3 (f)	3.6 (f)
Portfolio turnover rate (%)	24	80	58	86	66	87

(a) Unaudited.

(b) As previously reported. See Note 1(g).

(c) Assumes valuation of the Fund's shares, and reinvestment of dividends, at net asset values.

(d) Assumes valuation of the Fund's shares at market price and reinvestment of dividends at actual reinvestment price.

(e) Annualized.

(f) Ratios for 2004 and 2003 reflect ratios adjusted for change in amortization policy. Ratios previously reported for 2004 and 2003 were 3.4% and 3.6%, respectively.

See accompanying notes to financial statements

Miscellaneous Notes

Results of the 2008 Annual Shareholders Meeting

The Annual Meeting of Shareholders of the Fund was held on February 11, 2008. The results of the shareholder vote were:

1. All persons nominated were elected.

<u>Terms expiring in 2011</u>	<u>Shares voted for</u>	<u>Shares withheld</u>
Thomas H. Dinsmore	4,835,846	239,221
Daniel D. Harding	4,870,075	204,992

Trustees whose term of office continued after the 2008 Annual Shareholders Meeting are listed on the inside back cover of this Semi-Annual Report.

2. The Audit Committee's appointment of Tait, Weller & Baker LLP as independent accountants was ratified, as 4,955,304 shares voted for, 35,275 shares voted against and 84,488 shares abstained.

Notice of Privacy Policy

The Fund has adopted a privacy policy in order to protect the confidentiality of nonpublic personal information that we have about you. We receive personal information, such as your name, address and account balances, when transactions occur in Fund shares registered in your name.

We may disclose this information to companies that perform services for the Fund, such as the Fund's transfer agent or proxy solicitors. These companies may only use this information in connection with the services they provide to the Fund, and not for any other purpose. We will not otherwise disclose any nonpublic personal information about our shareholders or former shareholders to anyone else, except as required by law.

Access to nonpublic information about you is restricted to our employees and service providers who need that information in order to provide services to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

For More Information About Portfolio Holdings

In addition to the semi-annual and annual reports that Bancroft delivers to shareholders and makes available through the Fund's public website, the Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the Fund's first and third fiscal quarters on Form N-Q. Bancroft does not deliver the schedule of portfolio holdings for the first and third fiscal quarters to shareholders, however the schedule is posted to the Fund's public website, www.bancroftfund.com. You may obtain the Form N-Q filings by accessing the SEC's website at www.sec.gov. You may also review and copy them at the SEC's Public Reference Room in Washington, DC. Information on the operation of the SEC's Public Reference Room may be obtained by calling the SEC at (800) SEC-0330.

Proxy Voting Policies and Procedures / Proxy Voting Record

The Fund's policies and procedures with respect to the voting of proxies relating to the Fund's portfolio securities is available without charge, upon request, by calling (973) 631-1177, or at our website at www.bancroftfund.com. This information is also available on the SEC's website at www.sec.gov. In addition, information on how the Fund voted such proxies relating to portfolio securities during the most recent twelve-month period ended June 30, is available without charge at the above sources.

Miscellaneous Notes (continued)

Tender Offer

On January 31, 2008 the Fund commenced a tender offer for up to 758,754 of its shares of beneficial interest, representing approximately 12.5% of its issued and outstanding shares of beneficial interest, par value \$.01 per share, at a price per share equal to 95% of the net asset value per share as of the close of regular trading on the American Stock Exchange on February 29, 2008. The Fund conducted the Offer pursuant to an Agreement dated January 11, 2008 between the Fund and certain Fund shareholders.

The tender offer expired on February 29, 2008. The Fund accepted 880,154 properly tendered shares at a price per Fund share equal to \$19.36, which was 95% of the net asset value per Fund share as of 5:00 p.m. Eastern Standard Time on February 29, 2008.

Approximately 2,294,566 shares of beneficial interest, 38% of the Fund's issued and outstanding shares of beneficial interest, were validly tendered. Because more than 758,754 shares had been validly tendered, the Fund elected to take up and pay for 121,400 additional shares for a total of 880,154 total shares to be taken up and paid for pursuant to the Offer. Shares were accepted for payment on a pro rata basis. Accordingly, approximately 38.36% (880,154 shares accepted for payment divided by 2,294,566 shares validly tendered) of the validly tendered shares of each shareholder were accepted for payment. These accepted shares represented approximately 14.5% of the total shares of beneficial interest outstanding prior to the commencement of the tender offer.

The Fund is a member of the Closed-End Fund Association, a non-profit national trade association (www.cefa.com). Thomas H. Dinsmore is on the Executive Board and is the president of the association. *The association is solely responsible for the content of its website.*

Pursuant to Section 23 of the Investment Company Act of 1940, notice is hereby given that the Fund may in the future purchase its own shares from time to time, at such times, and in such amounts, as may be deemed advantageous to the Fund. Nothing herein shall be considered a commitment to purchase such shares.

Board of Trustees

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Assistant Vice President and Assistant Secretary

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Beneficial Share Listing

American Stock Exchange Symbol: BCV

Legal Counsel

Ballard Spahr Andrews & Ingersoll, LLP

Independent Accountants

Tait, Weller & Baker LLP

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